

**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

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In re	:
	:
	Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:
	:
	Case No. 18-23538 (RDD)
	:
Debtors.¹	:
	(Jointly Administered)
-----X	

**AFFIDAVIT AND DISCLOSURE STATEMENT OF DAVID L. WLCH,
 ON BEHALF OF PANSING HOGAN ERNST & BACHMAN, LLP**

STATE OF NEBRASKA)
) s.s.:
 COUNTY OF DOUGLAS)

I, David L. Welch, being duly sworn, upon his oath, deposes and says as follows:

1. I am a partner of Pansing Hogan Ernst & Bachman, LLP,
 located at 10250 Regency Circle, Suite 300, Omaha, Nebraska 68114 (the “**Firm**”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

The Debtors also include SHC Licensed Business LLC (3718), filed as Case No. 18-23616 and SHC Promotions LLC (9626), filed as Case No. 18-23630 (the “Additional Debtors”). The Additional Debtors each filed a motion in their respective chapter 11 cases requesting joint administration with the Debtors for procedural purposes only pursuant to Rule 1015(b) of the Bankruptcy Rules.”

2. Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), have requested that the Firm provide litigation legal services to the Debtors, and the Firm has consented to provide such services (the “**Services**”).

3. The Services include, but are not limited to, the following: discovery, Motions, trials, appeals, settlements for pending lawsuits: *Elaine Leonhardt v K Mart Corporation*. In the District Court of Scotts Bluff County, Nebraska and *Joyce Kieborz v K Mart Corporation*.

4. The Firm may have performed services in the past and may perform services in the future, in matters unrelated to these chapter 11 cases, for persons that are parties in interest in the Debtors’ chapter 11 cases. As part of its customary practice, the Firm is retained in cases, proceedings, and transactions involving many different parties, some of whom may represent or be claimants or employees of the Debtors, or other parties in interest in these chapter 11 cases. The Firm does not perform services for any such person in connection with these chapter 11 cases. In addition, the Firm does not have any relationship with any such person, such person’s attorneys, or such person’s accountants that would be adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.


5. Neither I, nor any principal of, or professional employed by the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than principals and regular employees of the Firm.

6. Neither I nor any principal of, or professional employed by the Firm, insofar as I have been able to ascertain, holds or represents any interest materially adverse to the Debtors or their estates with respect to the matters on which the Firm is to be retained.

7. As of the commencement of this chapter 11 case, the Debtors owed the Firm \$3,287.62 in respect of prepetition services rendered to the Debtors.

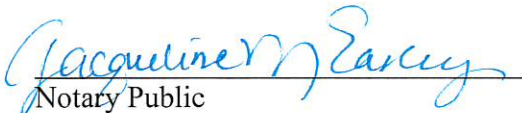
8. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of this inquiry, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Affidavit.

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Affidavit and Disclosure Statement was executed on November 28, 2018, at Pansing Hogan Ernst & Bachman, LLP.

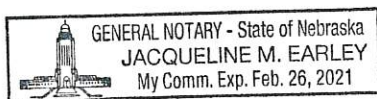


David L. Welch
Affiant Name

SWORN TO AND SUBSCRIBED
before Me this 28 day of November, 2018



Notary Public



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 SOUTHERN DISTRICT OF NEW YORK**

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SEARS HOLDINGS CORPORATION, et al.,	:
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	Case No. 18-23538 (RDD)
	:
Debtors.¹	:
	(Jointly Administered)
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RETENTION QUESTIONNAIRE

TO BE COMPLETED BY PROFESSIONALS EMPLOYED by Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”).

All questions **must** be answered. Please use “none,” “not applicable,” or “N/A,” as appropriate. If more space is needed, please complete on a separate page and attach.

1. Name and address of professional:

David L. Welch, Pansing Hogan Ernst & Bachman, LLP
10250 Regency Circle, Suite 300, Omaha, Nebraska 68114

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2. Date of retention:
November 21, 2017. *Elaine Leonhardt v. K Mart Corporation, a Foreign Corporation*. In the District Court of Scotts Bluff County, Nebraska. CI 17-635.
February 15, 2018. *Joyce Kieborz, individually v. K Mart Corporation, a foreign Corporation, and Abbey Lambert, PharmD*. In the District Court of Buffalo County, Nebraska. CI 18-0066
 3. Type of services to be provided: Litigation legal services in defense for K Mart Corporation
 4. Brief description of services to be provided:
Both lawsuits are active. Automatic Stay entered on each as of October 17, 2018.
Once Automatic Stay is lifted, complete discovery, proceed to trials, potential appeals, potential settlements.
 5. Arrangements for compensation (hourly, contingent, etc.):
Hourly - billed quarterly - reimbursed for expenses.
 - (a) Average hourly rate (if applicable): \$170/hour for Attorney David L. Welch services. \$80/hour per legal assistant services.

(b) Estimated average monthly compensation based on prepetition retention (if company was employed prepetition):

\$2,500.00 - \$5,000.00

6. Prepetition claims against the Debtors held by the company:

Amount of claim: \$3,287.62 in *Kieborz v K Mart Corp.* lawsuit; \$0.00 in *Leonhardt v K Mart Corp.* lawsuit

Date claim arose: November 21, 2017 *Leonhardt v. K Mart Corp*; February 15, 2018 *Kieborz v K Mart Corp.*

Nature of claim: Legal services in defense of lawsuits regarding K Mart Corporation

7. Prepetition claims against the Debtors held individually by any member, associate, or employee of the company:

Name: N/A

Status: N/A

Amount of claim: \$ N/A

Date claim arose: N/A

Nature of claim: N/A

8. Disclose the nature and provide a brief description of any interest adverse to the Debtors or to their estates for the matters on which the professional is to be employed:

None.

9. Name and title of individual completing this form:

Attorney David L. Welch

Dated: November 28, 2018